

RISK

4



## Cautious to Balanced Investor

*You don't seek risky investments  
but don't avoid them either.*

*Your aim is a longer term return.*

*You accept modest yet frequent  
fluctuations in value and the  
risk of a moderate loss.*

*Potential return of 21.36%  
& potential loss of -13.47%*

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# CONSERVATIVE ALPHA PORTFOLIO

EDITION 32 December 2019

The Conservative Alpha Portfolio is a growth style strategy. It is aimed at medium to long term investors who are seeking above average capital growth from a cautious to balanced portfolio.

The chosen investment funds can invest in UK and overseas equities, commercial property, cash, fixed interest securities, commodities and alternative investments.. They are actively managed by leading fund managers to maximise total return whilst maintaining control of risk.

The Conservative Alpha Portfolio performance is benchmarked against the average performance of the IA Mixed Investment 20%–60% sector and has a risk rating and investor profile of 4 out of 10.

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## RISK

Potential return of 21.36%  
& potential loss of -13.47%.

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## ACTIVE

Managed daily by our personally  
selected fund managers.

74%

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## EQUITY

Held in risk to drive growth, vs  
the stability of bonds & property.

38%

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## FEE S

The weighted total cost  
for the portfolio including  
management, trading &  
research costs.

0.62%

## Risk

### Prospective Risk Level



### Historic Risk Level



A **risk level 4** investor should be prepared to accept annual returns somewhere **within the range of a -13.47% loss and a 21.36% gain** — returns within this range would be expected 95% of the time. It should be remembered that there is a 5% chance that **risk level 4** portfolios will experience an annual return outside this range — this means an investor may experience **losses greater than -13.47% or gains greater than 21.36%** at some point(s) during their investment in one year.

It is important to remember the figures are not intended to be and should not be taken as a projection of the likely returns from the portfolio risk levels. This is intended to support the risk discussion following the completion of a risk profile questionnaire. They show the implied volatility and mean expected return of risk levels 1 to 10 to two standard deviations in one year (ie all returns are expected to be between these extremes in 95 years out of 100; this is often described as a 95% confidence level). The figures shown are the expected arithmetic average returns and the ranges assume that returns are based on a log normal distribution. Figures are shown net of tax and underlying manager fees.

## Range of Returns

### Upper Return

**21.36%**

In 95 years out of 100, this is the highest expected level of return for a given level of risk. There is a 2.5% chance that returns could fall outside the upper return figure in one year.

### Average of All Returns

**3.94%**

This is the average of all possible returns within a risk level in one year.

### Lower Return

**-13.47%**

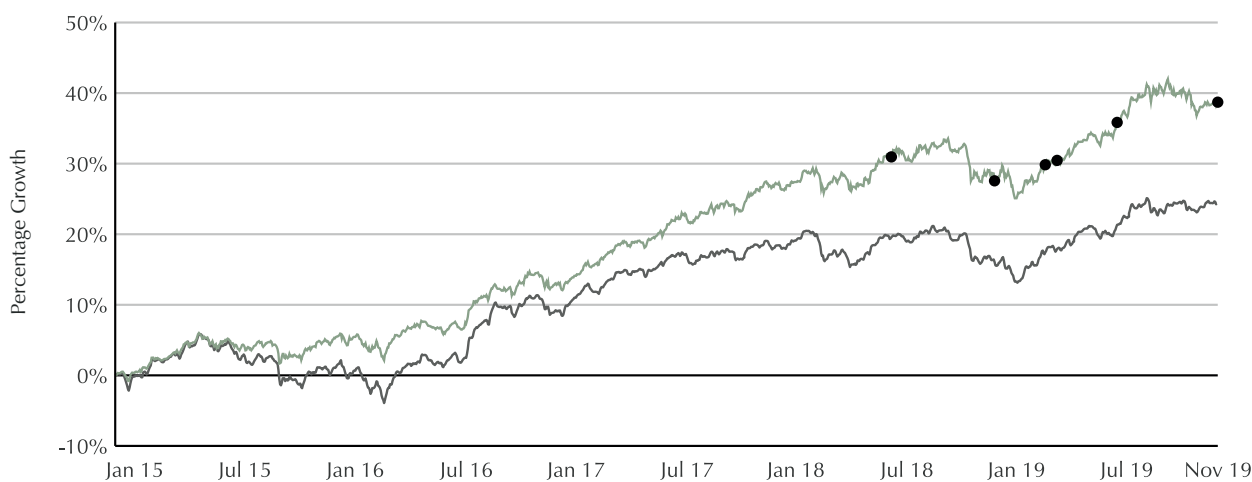
In 95 years out of 100, this is the lowest expected level of return for a given level of risk. There is a 2.5% chance that returns could fall outside the lower return figure in one year.

## Asset Allocation

	<i>Money Markets</i>	<i>Fixed Interest</i>	<i>Property</i>	<i>UK Equity</i>	<i>US Equity</i>	<i>European Equity</i>	<i>Asian Equity</i>	<i>Japan Equity</i>	<i>Global Equity</i>	<i>Other Assets</i>
Conservative Alpha	15%	42%	5%	11%	13%	2%	7%	2%	3%	0%
Benchmark IA Mixed Investment 20%-60%	8%	37%	2%	14%	5%	4%	3%	0%	13%	14%
Difference Portfolio v Benchmark	7%	5%	3%	-3%	8%	-2%	4%	2%	-10%	-14%

## Cumulative Performance Chart

KEY Conservative Alpha Benchmark ● Automated Switch



Powered by data from FE

Cumulative performance chart shows % growth from 25.11.2014 to 22.11.2019 calculated using bid prices with income re-invested into the fund net of tax. The cumulative performance chart shows how the portfolio has performed against the benchmark taking into account the changing composition of the portfolio over the period of time shown.

## Cumulative Performance: % Growth to 22/11/2019

	6 months %	1 year %	2 years %	3 years %	5 years %
Conservative Alpha	3.18	8.79	9.00	22.76	39.06
Benchmark IA Mixed Investment 20%-60%	3.18	7.61	5.03	13.94	24.82
Difference Portfolio vs Benchmark	0.00	1.18	3.97	8.82	14.24

## Discrete Performance to Month End Shown: % Growth to 22/11/2019

	31/10/19	31/10/18	31/10/17	31/10/16	31/10/15
Conservative Alpha	7.80	1.24	10.96	9.05	6.02
Benchmark IA Mixed Investment 20%-60%	6.42	-1.74	6.84	9.71	3.27
Difference Portfolio v Benchmark	1.38	2.98	4.12	-0.66	2.75

## Individual Fund's Performance To 22/11/2019

## Cumulative Performance: % Growth

<i>Fund</i>	<i>% Holding</i>	<i>Fund Manager</i>	<i>6 months %</i>	<i>1 year %</i>	<i>2 years %</i>	<i>3 years %</i>	<i>5 years %</i>
Artemis Strategic Bond	4.00%	Alex Ralph & James Forster	3.19	7.22	5.47	14.37	25.03
ASI UK Smaller Companies	1.00%	Harry Nimmo	4.05	24.03	21.56	61.33	111.79
AXA US Short Duration High Yield Bond	2.00%	Carl Whitbeck	1.44	4.67	4.51	7.53	13.04
BlackRock Gold & General	1.00%	Evy Hambro & Tom Holl	20.38	30.05	9.85	8.95	50.95
First State Global Listed Infrastructure	2.00%	Peter Meany & Andrew Greenup	4.53	18.39	18.06	33.86	77.33
First State Greater China Growth	1.00%	Martin Lau & Helen Chen	9.97	20.32	8.37	45.00	88.63
Franklin UK Equity Income	2.00%	Colin Morton, Ben Russon & Mark Hall	3.79	12.66	9.55	24.22	45.45
Fundsmith Equity	3.00%	Terry Smith	2.58	19.86	26.47	59.81	133.72
HSBC American Index	4.00%	HSBC Gbl Asset Mgt (HSBC Inv)	7.43	19.09	26.89	43.22	99.01
iShares Global Property Securities Equity Index	5.00%	Kieran Doyle	3.05	14.84	18.39	27.13	60.97
iShares UK Equity Index	2.00%	Kieran Doyle	2.38	10.13	7.19	21.90	35.69
Janus Henderson Strategic Bond	3.00%	John Pattullo & Jenna Barnard	4.97	10.76	8.26	15.65	23.61
JPM Asia Growth	1.00%	Mark Davids & Joanna Kwok	8.42	18.81	6.65	56.81	98.93
JPM Emerging Markets	1.00%	Austin Forey & Leon Eidelman	7.77	23.86	7.74	45.19	65.22
Lindsell Train Global Equity	2.00%	Michael Lindsell, Nick Train & James Bullock	-1.60	16.84	32.10	67.28	144.50
Lindsell Train Japanese Equity	1.00%	Michael Lindsell	8.12	9.38	16.12	53.75	89.80
Lindsell Train UK Equity	4.00%	Nick Train	-1.25	16.46	18.32	44.85	78.64
Liontrust Special Situations	2.00%	Anthony Cross & Julian Fosh	0.44	11.81	16.24	38.05	74.99
Loomis Sayles US Equity Leaders	3.00%	Aziz Hamzoagullari	5.27	18.35	17.05	-	-
M&G Global Macro Bond	2.00%	Jim Leaviss & Claudia Calich	3.19	6.41	1.62	8.26	-
Polar Capital Global Insurance	1.00%	Nick Matrin	3.17	16.74	23.02	36.42	107.16
Royal London Corporate Bond	6.00%	Johnathan Platt & Shalin Shah	4.69	10.59	9.27	17.75	29.67
Royal London Short Duration Credit	1.00%	Paola Binns	2.69	5.57	6.40	11.95	19.08
Royal London Short Duration Gbl High Yield Bond	6.00%	Azhar Hussain & Stephen Tapley	1.48	3.81	5.02	7.93	16.82
Royal London Short Term Money Market	13.00%	Craig Inches & Tony Cole	0.35	0.74	1.26	1.47	1.91
Stewart Indian Subcontinent	1.00%	David Gait & Sashi Reddy	-0.17	4.89	5.69	24.15	53.33
T.Rowe Price US Large Cap	4.00%	Taymour Tamaddon	5.45	21.54	-	-	-
Threadneedle High Yield Bond	3.00%	Barrie Whitman & David Backhouse	3.43	7.90	7.71	16.37	25.21
Vanguard Global Bond Index	4.00%	Global Fixed Income Team	3.94	8.57	6.53	9.12	15.54
Vanguard Pacific ex-Japan Index	1.00%	U.S. Equity Index Team	-0.06	13.17	9.26	24.99	49.43
Vanguard UK Government Bond Index	4.00%	Global Fixed Income Team	4.77	10.34	9.76	13.17	27.46
Vanguard UK Investment Grade Bond Index	6.00%	Global Fixed Income Team	4.46	9.83	7.79	13.96	26.82
Vanguard US Government Bond Index	2.00%	Global Fixed Income Team	3.68	7.82	4.24	5.24	8.18
Veritas Asian	2.00%	Ezra Sun	9.30	21.99	5.48	47.74	100.13

## Performance Ratios Over 3 Years

<i>Volatility</i>	<i>Alpha</i>	<i>Beta</i>	<i>Sharpe</i>	<i>Information Ratio</i>	<i>Weighted Average TER</i>	<i>Max Loss</i>	<i>Max Gain</i>	<i>Negative Periods</i>	<i>Positive-Periods</i>
4.64	3.30	0.85	0.67	1.22	0.62	-3.65	12.36	11	25



*Maximise your returns with  
a level of risk you're entirely  
comfortable with*

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